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RUEHBR/AMEMBASSY BRASILIA 7691  
RUEHBU/AMEMBASSY BUENOS AIRES 4937  
RUEHCV/AMEMBASSY CARACAS 2180  
RUEHPE/AMEMBASSY LIMA 2269  
RUEHMD/AMEMBASSY MADRID 3283  
RUEHMN/AMEMBASSY MONTEVIDEO 4368  
RUEHQT/AMEMBASSY QUITO 4820  
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C O N F I D E N T I A L LA PAZ 000188

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E.O. 12958: DECL: 01/17/2017  
TAGS: [ECON](#) [PGOV](#) [PREL](#) [BL](#)  
SUBJECT: A NEW YEAR, A NEW CABINET

REF: A. LA PAZ 3301  
[1](#)B. LA PAZ 54  
[1](#)C. LA PAZ 75

Classified By: Ecopol Counselor Andrew Erickson for reasons 1.4 (b) and (d).

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SUMMARY  
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[1](#)1. (C) Despite recent public statements that he would not make any cabinet changes, President Morales announced a shake-up late January 23, replacing seven ministers (government, education, agriculture, justice, public works, planning, and labor). The announcement came as a surprise for many, except perhaps the Venezuelan ambassador. The new cabinet, more leftist than indigenous, promised faster action to improve the lives of Bolivians. Santa Cruz interests hostile to Morales complained that no new minister represents the interests of eastern Bolivia, but other reactions have generally been positive. The big question is whether Morales' new cabinet can push forward his agenda more effectively than the last one. Given Morales' highly personal leadership style, we see little grounds for believing it will. End summary.

[1](#)2. (SBU) Despite recent public statements that he would not make any cabinet changes, President Morales announced a cabinet shake-up late January 23, replacing seven ministers, discussed in detail below. Morales renewed the mandate of nine others, including Minister of the Presidency Juan de la Quintana, Foreign Minister David Choquehuanca, Defense Minister Walker San Miguel, and Hydrocarbons Minister Carlos Villegas.

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Government: Alfredo Rada  
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[1](#)3. (C) Long viewed as a weak link in the cabinet, Minister of Government Alicia Munoz had been criticized for her handling of the hunger strike at the San Francisco church in La Paz (reftel A) and for the January 9-10 Cochabamba violence (reftels B and C), and has not been seen in public since

then. The president replaced her with Alfredo Rada Velez, a sociologist and economist. He was most recently Munoz's vice minister for coordination with social movements. He is also a former investigator for the leftist European NGO Cejis. Rada has stated he will keep a low profile as minister and will focus on national security. He is on the record as wanting to preserve the police's national command structure instead of ceding control to the prefects.

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Education: Victor Caceres  
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¶4. (SBU) Morales replaced Felix Patzi, viewed by many as one of the more radical indigenous members of his cabinet, with Victor Caceres, a former teacher and union leader, lawyer, and communist party militant. Patzi lost credibility as a result of last year's failed education congress, which many educational sectors abandoned. His proposed legislation to reform Bolivia's educational system stalled in Congress and lacked the support of teachers' unions nationwide. Patzi was also implicated in corruption charges that related to the purchase of computers for Bolivia's schools. Caceres appears to have more widespread support of teachers' unions.

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Agriculture: Susana Rivero  
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¶5. (SBU) Morales relieved Hugo Salvatierra of his position, purportedly for his alleged role organizing violence in San Julian on the fringes of the December cabildo in Santa Cruz. The new minister of agriculture, Susana Rivero, a former lawyer and Unitel journalist also associated with the NGO Cejis, says she will focus on "new policies" for land redistribution.

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Justice: Celima Torrico  
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¶6. (C) While Casimira Rodriguez proved to be a solid Embassy interlocutor, particularly for USAID justice projects, she was widely viewed as ineffective. The new justice minister, Celima Torrico Rojas, is a tough, leftist, campesino leader who reportedly organized the January Cochabamba protests against Prefect Manfred Reyes Villa. She has experience as a member of the department-level government council in Cochabamba, has worked for Radio Fides, and is associated with a national campesino women's organization. Embassy officers believe she has been close to Morales since the 1990's.

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Public Works: Jerjes Mercado  
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¶7. (SBU) Salvador Ric resigned as minister of public works last week, stating he could not bridge the differences between the GOB and Santa Cruz. His replacement, Jerjes Mercado Suarez, an electronic engineer, was Morales' vice minister for electricity and was educated in Russia. Born in Santa Cruz, Mercado says he will reach out to eastern Bolivia.

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Planning: Gabriel Loza  
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¶8. (SBU) Gabriel Loza Telleria will be Morales' third minister of economic planning, replacing Fernando Larrazabal who took the office in September 2006. Loza is known by Embassy officers and is a well-regarded technician and economist. Most recently, he was the head of the government think-tank UDAPE (Economic and Social Policy Analysis Unit).

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Labor: Walter Delgado  
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¶9. (SBU) Morales named Walter Delgado Terceros as Santiago Galvez's successor as labor minister. Delgado is a former leader of the Central Bolivian Workers Union (COB) and factory workers' union, as well as a former Revolutionary Leftist Movement (MIR) deputy.

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Comment: A step forward or back?  
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¶10. (C) Morales' cabinet shake-up came as a surprise. As the announcements were made to the diplomatic corps in a palace ceremony, even the Cuban ambassador frantically took note of the new names; the Venezuelan ambassador, in contrast, gave the impression that he had prior knowledge of the changes. Foreign Minister David Choquehuanca spoke on behalf of the more leftist-than-indigenous cabinet, declaring that they would accelerate efforts to improve the lives of Bolivians. Choquehuanca acknowledged that the new cabinet had "much to do," and said their guiding principles would be honesty, hard work, sacrifice, service, inclusion, and anti-corruption. Reactions have generally been positive, with the exception of the Santa Cruz opposition, which complained that no new minister represents the interests of eastern Bolivia. The big question is whether Morales' new cabinet can push forward his agenda more effectively than the last one. Given Morales' highly personal leadership style, we see little grounds for believing it will. End comment.  
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